

EXHIBIT B
AMBULANCE REVENUE AND COST REPORT
FIRE DISTRICT and SMALL RURAL COMPANY

Arizona Department of Health Services
Annual Ambulance Financial Report

Reporting Ambulance Service

Report Fiscal Year

From: 7 / 1 / 12012 / To: 6 / 30 / 12013 /
Mo. Day Year Mo. Day Year

CERTIFICATION

I hereby verify that I have directed the preparation of the enclosed annual report in accordance with the reporting requirements of the State of Arizona.

I have read this report and hereby verify that the information provided is true and correct to the best of my knowledge.

This report has been prepared using the accrual basis of accounting.

Authorized Signature: Jill Schultz Date: 12/27/13
Print Name and Title: Jill Schultz, Admin

Mail to:

Arizona Department of Health Services
Bureau of Emergency Medical Services
Ambulance and Regional Services
150 North 18th Avenue, Suite 540
Phoenix, AZ 85007
Telephone: (602) 364-3150
Fax: (602) 364-3567

RECEIVED
DEC 30 2013
DEMOS-CON & RATES

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Sunsites - Pearce

FOR THE PERIOD FROM: July 1, 2012 TO: June 30 2013

STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
01	Number of ALS Billable Transports:			<u>252</u>	<u>252</u>
02	Number of BLS Billable Transports :			<u>7</u>	<u>7</u>
03	Number of Loaded Billable Miles :			<u>7344</u>	<u>7344</u>
04	Waiting Time (Hr. & Min.):				
05	Canceled (Non-Billable) Runs:			<u>162</u>	<u>162</u>

AMBULANCE SERVICE ROUTINE OPERATING REVENUE

06	ALS Base Rate Revenue	\$ <u>230,073</u>
07	BLS Base Rate Revenue	<u>6,391</u>
08	Mileage Charge Revenue	<u>134,103</u>
09	Waiting Charge Revenue	
10	Medical Supplies Charge Revenue	
11	Nurses Charge Revenue	
12	Standby Charge Revenue (Attach Schedule)	
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE	\$ <u>370,567</u>

SALARY AND WAGE EXPENSE DETAIL

GROSS WAGES:

		**No. of F.T.E.s
14	Management	\$ <u>62,315</u> <u>37</u>
15	Paramedics and IEMTs	\$ <u>120,589</u> <u>36.48</u>
16	Emergency Medical Technician (EMT)	\$ <u>166,992</u> <u>61.47</u>
17	Other Personnel	\$ <u>56,049</u> <u>1.68</u>
18	Payroll Taxes and Fringe Benefits - All Personnel	\$ <u>97,596</u>

*This column reports only those runs where a contracted discount rate was applied.

**Full-time equivalents (F.T.E.) Is the sum of all hours for which employees wages were paid during the year divided by 2080.

RECEIVED

DEC 30 2013

DEMOG-CON & RATES

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Juniata-Pearce Fire District
 FOR THE PERIOD FROM: July 1, 2012 TO: June 30, 2013

SCHEDULE OF REVENUES AND EXPENSES

Line

No. DESCRIPTION

FROM

Operating Revenues:

01	Total Ambulance Service Operating Revenue	Page 2, Line 13	\$ <u>370,567</u>
	Settlement Amounts:		
02	AHCCCS		()
03	Medicare		()
04	Subscription Service		()
05	Contractual		()
06	Other		()
07	Total (Sum of Lines 02 through 06)		()
08	Total Operating Revenue (Line 01 minus Line 07)		\$ <u>370,567</u>

Operating Expenses:

09	Bad Debt. Ambulance revenue billed less revenue received .		\$ <u>127,136</u>
10	Total Salaries, Wages, and Employee-Related Expenses		<u>211,487</u>
11	Professional Services		<u>17,379</u>
12	Travel and Entertainment		<u>1,521</u>
13	Other General Administrative		<u>20,638</u>
14	Depreciation		<u>29,371</u>
15	Rent/Leasing . . . 100% = ambulance lease payment		<u>9,419</u>
16	Building/Station		<u>1,931</u>
17	Vehicle Expense fuel: 8889; Ambulance repairs: 4122		<u>13,011</u>
18	Other Operating Expense EMS equipment 2767; uniforms 1984; education 758		<u>5,509</u>
19	Cost of Medical Supplies Charged to Patients		<u>9,296</u>
20	Interest . . . Ambulance interest payment		<u>208</u>
21	Subscription Service Sales Expense		<u>n/a</u>
22	Total Operating Expense (Sum of Lines 09 through 21)		<u>446,906</u>
23	Total Operating Income or Loss (Line 08 minus Line 22)		\$ <u>(76,339)</u>
24	Subscription Contract Sales		_____
25	Other Operating Revenue		_____
26	Local Supportive Funding		_____
27	Other Non-Operating Income (Attach Schedule)		_____
28	Other Non-Operating Expense (Attach Schedule)		_____
29	NET INCOME/(LOSS) (Line 23 plus Sum of Lines 24 through 28)		\$ <u>(76,339)</u>

RECEIVED

DEC 30 2013

DIRECTOR OF FIN & INVTES

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Junsites - Pearce Fire District

FOR THE PERIOD FROM: 7/1/12 TO: 6/30/13

BALANCE SHEET

ASSETS

CURRENT ASSETS

- 01 Cash
- 02 Accounts Receivable
- 03 Less: Allowance for Doubtful Accounts
- 04 Inventory
- 05 Prepaid Expenses
- 06 Other Current Assets

07 TOTAL CURRENT ASSETS

PROPERTY & EQUIPMENT

- 08 Less: Accumulated Depreciation

09 OTHER NONCURRENT ASSETS

10 TOTAL ASSETS

LIABILITIES AND EQUITY

CURRENT LIABILITIES

- 11 Accounts Payable
- 12 Current Portion of Notes Payable
- 13 Current Portion of Long-Term Debt
- 14 Deferred Subscription Income
- 15 Accrued Expenses and Other
- 16
- 17

18 TOTAL CURRENT LIABILITIES

19 NOTES PAYABLE

20 LONG-TERM DEBT OTHER

21 TOTAL LONG-TERM DEBT

EQUITY AND OTHER CREDITS

Paid-in Capital:

- 22 Common Stock
- 23 Paid-In Capital in Excess of Par Value
- 24 Contributed Capital
- 25 Retained Earnings
- 26 Fund Balances

27 TOTAL EQUITY

28 TOTAL LIABILITIES & EQUITY

*See audited
financials
enclosed*

AMBULANCE REVENUE AND COST REPORT

AMBULANCE SERVICE ENTITY: Sunshine - Pearce Fire District

FOR THE PERIOD FROM: 7/1/12

TO: 6/30/13

STATEMENT OF CASH FLOWS

*See audited
financials
enclosed*

OPERATING ACTIVITIES:

01	Net (loss) Income	\$	
	Adjustments to reconcile net income to net cash provided by operating activities:		
02	Depreciation Expense		
03	Deferred Income Tax		
04	Loss (gain) on Disposal of Property Equipment		
	(Increase) Decrease in:		
05	Accounts Receivable		
06	Inventories		
07	Prepaid Expenses		
	(Increase) Decrease in:		
08	Accounts Payable		
09	Accrued Expenses		
10	Deferred Subscription Income		
11	Net Cash Provided (Used) by Operating Activities	\$	

INVESTING ACTIVITIES:

12	Purchases of Property and Equipment		
13	Proceeds from Disposal of Property and Equipment		
14	Purchases of Investments		
15	Proceeds from Disposal of Investments		
16	Loans Made		
17	Collections on Loans		
18	Other		
19	Net Cash Provided (Used) by Investing Activities	\$	

FINANCING ACTIVITIES:

	New Borrowings:		
20	Long-Term		
21	Short-Term		
	Debt Reduction:		
22	Long-Term		
23	Short-Term		
24	Capital Contributions		
25	Dividends paid		
26	Net Cash Provided (Used) by Financing Activities	\$	
27	Net Increase (Decrease) in Cash	\$	
28	Cash at Beginning of Year	\$	
29	Cash at End of Year	\$	

SUPPLEMENTAL DISCLOSURES:

30	Non-cash Investing and Financing Transactions:		
31		\$	
32			
33	Interest Paid (Net of Amounts Capitalized)		
34	Income Taxes Paid		

RECEIVED

DEC 30 2013

DEVELOPMENT & NOTES

Sunsites-Pearce Fire District
Profit & Loss
July 2012 through June 2013

42% ambulance

Jul '12 - Jun 13

Ordinary Income/Expense
Income

INCOME

Deposit Reimbursement	200.00
Taxes	
Fire District Assistance Tax	92,228.67
Personal Property Taxes	8,986.61
Real & Personal Property Taxes	434,551.72
Total Taxes	535,767.00
Grant Revenue	
VFA Grant 11/12	5,200.00
Total Grant Revenue	5,200.00
Charges for Service	
Copy Charges for Public Records	44.25
Ambulance Revenue	243,431.30
Donations for a service provide	675.00
Fire subscriptions	5,519.21
Lockbox Program	70.00
Out of Dist Revenue	455.00
Wildland Revenue	86,934.03
Total Charges for Service	337,128.79
Misc Revenue	
Donations; Training Center	1,200.00
Donations	222.01
Equipment Sold	6,375.00
Refunds	1,937.19
Reimbursement from Insurance	519.29
Other Revenue	1,090.85
Misc Revenue - Other	1,059.02
Total Misc Revenue	12,403.36
Investment Revenue	
Interest Cap Reserve	49.46
Interest Income GF	10.04
Total Investment Revenue	59.50
Total INCOME	890,758.65
Total Income	890,758.65

Expense

CAPITAL OUTLAY

CAPITAL OUTLAY - Building	3,085.41
- Office Equipment	386.54
Capital Outlay - Equipment	6,195.14
Medic 301 Loan Payment	9,419.06
Total CAPITAL OUTLAY	19,086.15

OPERATIONS

Wildland Fire Expenses	502.90
Uniforms	4,725.68
Training	
Educational materials	882.08
Training travel expense	1,139.90
Lodging	2,136.16
Meal Reimbursements	
Fire Chief	345.00
Meals Board Members	192.15
Meals Firefighters	716.00
Meal Reimbursement Other	189.00
Total Meal Reimbursements	1,442.15
Training Admin	220.00
Training Board Members	60.00
Training Fire	1,578.39
Training Fire Chief	922.82

RECEIVED
DEC 30 2013
DEPT. OF GOV. & NATES

Sunsites-Pearce Fire District

Profit & Loss

July 2012 through June 2013

	Jul '12 - Jun 13
Training - Other	-138.19
Total Training	8,243.31
PPE	
PPE Structure	3,854.91
Total PPE	3,854.91
Property Maint	
Supplies	761.68
Crew Quarters Station #1	634.92
Property Maint - Other	166.60
Richland Station #2	36.73
Sunsites Station #1	2,998.57
Total Property Maint	4,598.50
Repair & Maint/vehicles	
Repair & Maint Fire Other	28.00
T-309 1973 Ford	322.27
T-304 2007 International Tender	7,165.64
T-303 2001 Freightliner Tender	779.30
E-308 2000 Chevy	10.16
E-307 2006 Ford	693.39
E-306 2004 Dodge	1,323.87
E-305 1992 International	7,620.13
C-30 2003 Dodge Pick-up	709.24
M-303 2002 Ford 150	202.57
M-301 2005 Chevy Ambulance	3,867.37
M-302 1996 Ford Ambulance	52.43
Repair & Maint/vehicles - Other	39.28
Total Repair & Maint/vehicles	22,813.65
Repair & Maint Fire	1,269.23
Small Tools/Equip	
Repair/Maint. EMS Equip~	2,766.70
Repair/Maint. Fire Equip	98.66
Small Tools/Equip Fire	38.53
Small Tools/Equip Misc.	1,491.06
Total Small Tools/Equip	4,394.95
Utilities	
Direct TV/Cable	109.98
Electricity	
Arts and Crafts Room Qtrs	2,829.49
Main Station	5,399.34
Richland Station	355.23
Street Light #6115101	162.29
Street Light #6121101	65.91
Total Electricity	8,812.26
Garbage Collection	569.57
Natural Gas	1,014.77
Propane	407.39
Telephone	
Stations Telephone	5,054.76
Telephone Verizon Wireless	1,364.07
Total Telephone	6,418.83
Water	
Arts and Crafts Room	222.76
Hydrant/Park	21.76
Station Water	557.35
Total Water	801.87
Total Utilities	18,134.67
Medical Supplies	
Medical Equip-Small	55.00
Medical Supplies-Disposable	9,241.25

RECEIVED
DEC. 30 2013
DEMO'S COPY & RATES

8:42 AM

12/27/13

Accrual Basis

Sunsites-Pearce Fire District

Profit & Loss

July 2012 through June 2013

Jul '12 - Jun 13

Total Medical Supplies	9,296.25 ✓
Fuel	21,164.58
Equip Communication	
Paging	49.00
Tower Expenses	3,825.16
Dispatch	2,186.50
Radio Repair	1,067.75
Equip Communication - Other	150.00
Total Equip Communication	7,278.41
Fire Prevention	
Fire Prevention Expense	1,280.16
Total Fire Prevention	1,280.16
General Expense	
Meals	319.12
Bottled Water Purchased	292.50
General Expense - Other	2,372.35
Total General Expense	2,983.97
Grant Expense	
VFA Dept Exp 11/12	5,200.00
Total Grant Expense	5,200.00
Mileage Reimbursement	421.70
Miscellaneous Expenses	
Bottled Water Purchased	97.73
Miscellaneous Expenses - Other	541.31
Total Miscellaneous Expenses	639.04
Total OPERATIONS	116,801.91
ADMINISTRATION COST	
Administrative Fees	10.00
Department Functions	643.66
Janitorial Expenses	717.03
Professional/Contract Services	
EMS Billing	12,403.05
Elections Fees	1,316.60
Accounting Fees	17,454.00
Legal Fees	7,977.05
Professional/Contract Services - Other	2,227.10
Total Professional/Contract Services	41,377.80 ✓
VFIS	28,194.00
County Fees	11,136.36
Office/Misc Supplies	
Bank Fees	700.95
Annual Fees	2,380.95
Lic/Taxes-Dues & subscriptions	1,606.56
Office Supplies/Postage	3,478.67
Postage-Mail	1,197.38
Use of Petty Cash	1.00
Office/Misc Supplies - Other	442.55
Total Office/Misc Supplies	9,808.06
ADMINISTRATION COST - Other	0.00
Total ADMINISTRATION COST	91,886.91
Interest Expense	207.89
Transfers to other accts	
Other Expense	230.36
Total Transfers to other accts	230.36
PERSONNEL	
Volunteer Compensation	125.00
Benefit Costs	
Health Insurance BCBS	139.17

RECEIVED

DEC 30 2013

BENEFIT COST RATIO

Sunsites-Pearce Fire District

Profit & Loss

July 2012 through June 2013

	Jul '12 - Jun 13
Retirements 457/PSPRS	34,711.25
Workers Compensation Insurance	18,620.36
Employee Health & Safety	4,587.96
Health Insurance Self Paid	797.93
Health Insurance - Other	300.00
Total Benefit Costs	59,156.67
Payroll Tax Cost	
Payroll Taxes	
IRS Penalties & Interest	5,626.75
Payroll Taxes - Other	41,150.69
Total Payroll Taxes	46,777.44
Payroll Tax Cost - Other	0.00
Total Payroll Tax Cost	46,777.44
Wages & Salary Cost	
PTO	32,413.00
Stipend	-14.29
Wages	
Captain	59,683.00
Paramedic	64,096.98
EMT	158,534.77
Fire Fighters	32,537.97
Wildland Fire	1,223.20
Administrative	22,621.93
Fire Chief	
Salary	57,115.26
Total Fire Chief	57,115.26
Total Wages	395,813.11
Wages & Benefits	33,027.15
Overtime	
Administrative Overtime	412.50
Wildland Fire Overtime	0.00
Fire Fighters Overtime	476.81
EMT Overtime	14,470.24
Paramedic Overtime	4,716.15
Captain Overtime	12,154.14
Total Overtime	32,229.84
Holiday	12,496.49
Wages & Salary Cost - Other	332.05
Total Wages & Salary Cost	506,297.35
Total PERSONNEL	612,356.46
Reconciliation Discrepancies	
voided checks	0.00
Reconciliation Discrepancies - Other	-5.74
Total Reconciliation Discrepancies	-5.74
Total Expense	840,563.94
Net Ordinary Income	50,194.71
Net Income	50,194.71

REC-7740

DEC 30 2013

DEMOCRATIA, RES

Payroll by Employee Class

Payroll Item	None	Sunsites Station	Total
Earnings			
Administration OT Wages	412.50	0.00	412.50
Administration Wages	22,621.93	0.00	22,621.93
F/T FireFighter CEP-OT Wages	0.00	4,716.15	4,716.15
F/T FireFighter CEP-Wages	0.00	41,538.60	41,538.60
F/T FireFighter EMT OT Wages	1,456.35	6,898.90	8,355.25
F/T FireFighter EMT Wages	20,309.10	43,578.50	63,887.60
Fire Chief-Salary	44,422.98	12,692.28	57,115.26
Holiday Pay	4,524.83	7,971.66	12,496.49
Officer OT Wages	0.00	12,154.14	12,154.14
Officer Wages	0.00	59,683.00	59,683.00
P/T FireFighter CEP-OT Wage	0.00	0.00	0.00
P/T FireFighter CEP-Wages	0.00	22,558.38	22,558.38
P/T FireFighter EMT-OT Wages	858.00	5,256.99	6,114.99
P/T FireFighter EMT-Wages	39,338.11	55,309.06	94,647.17
P/T FireFighter OT Wages	0.00	476.81	476.81
P/T FireFighter Wages	6,894.65	25,643.32	32,537.97
PTO	9,492.00	22,921.00	32,413.00
Uniform Allowance Payout	0.00	-14.29	-14.29
Wildland Fire Wages	1,223.20	0.00	1,223.20
Wildland Fire Wages OT	0.00	0.00	0.00
Total Earnings	151,553.65	321,384.50	472,938.15
Additions			
Health Ins.paid to employee	0.00	790.70	790.70
Total Additions	0.00	790.70	790.70
Deductions			
457 Contribution	-1,436.87	-6,839.66	-8,276.53
AFLAC - Accident	-1,821.06	-1,214.94	-3,036.00
AFLAC Short Term Disability	-55.44	0.00	-55.44
ASRS Employee	-2,240.62	0.00	-2,240.62
ASRS Long Term Disability	-45.76	0.00	-45.76
Deduction for Uniforms	0.00	-79.00	-79.00
Dental	-878.16	-565.52	-1,443.68
Dependent Health Insurance	-1,242.81	-2,209.44	-3,452.25
Direct Deposit Fee	-8.70	-34.80	-43.50
Kitty Fund	-347.81	-575.19	-923.00
PSPRS Employee	-7,287.74	-22,558.86	-29,846.60
Spouse's Ins Coverage	0.00	-3,580.91	-3,580.91
Support Payment Clearinghouse	-7,376.68	0.00	-7,376.68
Union Dues	-429.35	-1,772.80	-2,202.15
Union PAC Fund	-161.89	-536.87	-698.76
Vision	-32.58	-121.08	-153.66
Total Deductions	-23,365.47	-40,089.07	-63,454.54
Taxes			
Federal Withholding	-8,449.00	-29,063.00	-37,512.00
Medicare Employee	-2,159.15	-4,595.04	-6,754.19

DEC 30 2013

SUNSITES-PEARCE FIRE DISTRICT
 PO BOX 507
 PEARCE, AZ 856250507

Payroll by Employee Class

Medicare Employee Addl Tax	0.00	0.00	0.00
Social Security Employee	-7,688.14	-16,175.34	-23,863.48
AZ - Withholding	-3,313.64	-11,430.76	-14,744.40
Total Taxes	-21,609.93	-61,264.14	-82,874.07
Net Pay	106,578.25	220,821.99	327,400.24

Direct Deposit

Direct Deposit	-64,693.40	-143,276.22	-207,969.62
Total Direct Deposit	-64,693.40	-143,276.22	-207,969.62

Company Contributions

457 Department matching	-1,079.91	-2,713.62	-3,793.53
ASRS Employer Contribution	-2,240.62	0.00	-2,240.62
ASRS LTD Employer Contribution	-49.37	0.00	-49.37
Health Insurance	-14,186.47	-17,892.45	-32,078.92
PSPRS Company	-6,990.11	-21,637.62	-28,627.73
Workers Compensation	-98.53	-236.83	-335.36
Total Company Contributions	-24,645.01	-42,480.52	-67,125.53

Company Paid Taxes

Federal Unemployment	0.00	0.00	0.00
Medicare Company	-2,159.14	-4,595.05	-6,754.19
Social Security Company	-9,232.20	-19,647.89	-28,880.09
AZ - Job Training Tax	-300.48	-335.29	-635.77
AZ - Unemployment Company	-2,211.79	-2,510.29	-4,722.08
Total Company Paid Taxes	-13,903.61	-27,088.52	-40,992.13

RECEIVED

DEC 30 2013

RECEIVED

Charge Summary

SUNSITE PEARCE

Summary By Charge Code

<u>ID</u>	<u>Description</u>	<u>QTY</u>	<u>QTY %</u>	<u>Charge Count</u>	<u>Charge Count %</u>	<u>Charges</u>	<u>Total Charges %</u>
1201	BLS EMERGENT	7	0.09	7	1.36	6390.93	1.72
1203	ALS 1 EMERGENT	252	3.31	252	49.03	230073.48	62.09
1204	BLS MILEAGE	181	2.38	6	1.17	3305.06	0.89
1205	ALS MILEAGE	7163.1	94.21	249	48.44	130798.18	35.30
Totals For All		7603.1		514		370567.65	

RECEIVED

DEC 30 2013

DEPT. OF PUBLIC SAFETY

Charge Schedule/Event Summary

SUNSITES PEARCE

	<u>Event ID</u>	<u>Description</u>	<u>Calls</u>	<u>Calls %</u>	<u>Charges</u>	<u>Charges %</u>
Schedule	BAD	BAD DEBT WRITE OFF				
	NONE	NO BILL SENT YET	36	100.00	51324.85	100.00
			-----		-----	
			36		51324.85	
Schedule	BANK	BANKRUPTCY NOTICE				
	NONE	NO BILL SENT YET	1	100.00	1442.53	100.00
			-----		-----	
			1		1442.53	
Schedule	CALL	CALL PATIENT				
	NONE	NO BILL SENT YET	1	100.00	1570.35	100.00
			-----		-----	
			1		1570.35	
Schedule	COLA	ASSIGNED TO SURETY				
	NONE	NO BILL SENT YET	4	100.00	5733.60	100.00
			-----		-----	
			4		5733.60	
Schedule	DECEASED	DECEASED ACCOUNT				
	NONE	NO BILL SENT YET	1	100.00	1387.75	100.00
			-----		-----	
			1		1387.75	
Schedule	MEDE	MEDICARE ELECTRONIC				
	F	MANUAL INSURANCE BILLING	1	33.33	1661.65	40.86
	G	MEDICAID/INS FOLLOW UP ACCTS	2	66.67	2404.82	59.14
			-----		-----	
			3		4066.47	
Schedule	PRIM	PRIMARY INSURANCE				
	F	MANUAL INSURANCE BILLING	1	100.00	1460.79	100.00
			-----		-----	
			1		1460.79	
Schedule	PRIV	PRIVATE PAY				
	A	PRIVATE PAY FIRST BILL	2	66.67	2799.24	65.99
	C	PRIVATE PAY COLLECTION LETTER	1	33.33	1442.53	34.01
			-----		-----	
			3		4241.77	
Schedule	PYMT	INSTALLMENT PAYMENT SCHEDULE				
	A	PRIVATE PAY FIRST BILL	3	60.00	4680.01	62.15
	B	PRIVATE PAY SECOND BILL	2	40.00	2850.37	37.85
			-----		-----	
			5		7530.38	
Schedule	REFUND	REFUND NEEDS TO BE ISSUED				
	NONE	NO BILL SENT YET	1	25.00	1431.57	23.52
	A	PRIVATE PAY FIRST BILL	3	75.00	4656.27	76.48
			-----		-----	
			4		6087.84	
Schedule	ZERO	ZERO BALANCE CALL				
	NONE	NO BILL SENT YET	200	100.00	285721.32	100.00

RECEIVED

DEC 30 2013

SUNSITES PEARCE

Charge Schedule/Event Summary

SUNSITES PEARCE

<u>Event ID</u>	<u>Description</u>	<u>Calls</u>	<u>Calls %</u>	<u>Charges</u>	<u>Charges %</u>
		200		285721.32	
Totals For All		259		370567.65	

DEC 30 2013

DEC 30 2013

DEC 30 2013

SUNSITES-PEARCE FIRE DISTRICT

FINANCIAL STATEMENTS

June 30, 2013

Monika Patience
MG Patience, CPA
Certified Public Accountant
1326 W Highway 92 #12
Bisbee, AZ 85603
Fax 480-248-2776
Phone 520-432-3530
mgpatience@qwestoffice.net

RECEIVED
DEC 30 2013
DEM3TS-COM & RATES

**SUNSITES-PEARCE FIRE DISTRICT
PEARCE, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2013**

TABLE OF CONTENTS

	<u>PAGE</u>	<u>EXHIBIT</u>
TABLE OF CONTENTS	2	
INDEPENDENT AUDITOR'S REPORT	4	
MANAGEMENT'S DISCUSSION AND ANALYSIS	6	
BASIC FINANCIAL STATEMENTS	11	
Government-Wide Financial Statements		
Statement of Net Position	12	A
Statement of Activities	13	B
Fund Financial Statements		
Balance Sheet – Governmental Funds	14	C
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	15	D
Reconciliation of the Balance Sheet -Governmental Funds to the Statement of Net Position	16	E
Reconciliation of the Statement of Revenues, Expenditures And Changes in Fund Balances-Governmental Funds To The Statement of Activities	17	F
Statement of Net Position-Fiduciary Funds	18	G
Statement of Changes in Fiduciary Net Position	19	H
Note to the Financial Statements	20	

RECEIVED

DEC 30 2013

SUNSITES-PEARCE FIRE DISTRICT

**SUNSITES-PEARCE FIRE DISTRICT
PEARCE, ARIZONA
FINANCIAL STATEMENTS
JUNE 30, 2013**

TABLE OF CONTENTS
(Continued)

	<u>PAGE</u>	<u>EXHIBIT</u>
REQUIRED SUPPLEMENTARY INFORMATION	34	
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis) General Fund	35	I
Notes to the Required Supplementary Information	36	
OTHER SUPPLEMENTARY INFORMATION	37	
Arizona Annual Report Information	38	
GOVERNMENT AUDIT STANDARDS SECTION	40	
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters, Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards.</i>	41	

RECEIVED

DEC 30 2013

DEPT OF FINANCE

INDEPENDENT AUDITORS REPORT

Members of the Board
Sunsets-Pearce Fire District
Sunsites, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunsites-Pearce Fire District, as of and for the year ended June 30, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in The United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in The United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in The United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. We have applied certain limited procedures to the required supplementary information in

RECEIVED

DEC 30 2013

STANDARDIZED

INDEPENDENT AUDITORS REPORT (Continued)

accordance with auditing standards generally accepted in The United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The Arizona Annual Report information is not a required part of the basic financial statements, but is supplemental information required by Arizona Revised Statutes. This additional information has not been subjected to the auditing procedures applied to the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on this information.



MG Patience, CPA
1326 W Hwy 92 #12
Bisbee, Arizona 85603

November 14, 2013

RECEIVED

DEC 30 2013

ALBUQUERQUE

Sunsites-Pearce Fire District

Management's Discussion and Analysis of Basic Financial Statements

June 30, 2013

The following discussion and analysis of the Sunsites-Pearce Fire District (the district's) financial performance presents management's overview of the District's financial activities for the year ended June 30, 2013. Please read it in conjunction with the District's basic financial statements which begin immediately following this analysis.

This annual financial report consists of two parts, Management's Discussion and Analysis (this section), and the Basic Financial Statements.

Nature of Operations

The Sunsites-Pearce Fire District is an All Hazards agency, providing Fire, Ambulance, Paramedic, Rescue, and Hazardous Material Response services to homes, property, and persons residing or traveling through the Fire District boundaries as well as to locations and persons outside the District through mutual aid agreements, Subscription Agreements, and other contracts.

The Fire District promotes and encourages safety through public education, fire prevention, fire code enforcement, and community involvement.

Results of Operations

During the calendar year 2013 January 2013 through November 2013 the Sunsites-Pearce Fire District responded to 488 calls for service. These calls included 101 responses to reports of fire, and 387 responses to medical and other emergencies.

In addition to fulltime staffing, the fire district employs approximately 16 Reserve Firefighters to ensure adequate staffing. These Reserves supplement fulltime staffing during the daytime, backfill for fulltime personnel during periods of absence, such as illness or vacations, and respond to large scale emergencies.

RECEIVED

DEC 30 2013

DEPT. OF PUBLIC SAFETY

The Fire District also used numerous opportunities to promote fire safety, general safety, and community enrichment through a variety of programs, including public tours of fire apparatus and stations, public meetings, fire hazard reduction and cleanup, and other organized and spontaneous events.

The District also committed to increasing educational opportunities for employees. Increased medical skill levels, specialized training, and other training opportunities are frequently presented to district employees.

With decreased property values, the District is striving to keep expenses down to avoid having to increase the tax rate.

Payroll expenses have been reduced by the elimination of a third person per shift, and not filling the Captain's position, which opened when Captain Steinberg was appointed Interim Fire Chief.

The District is looking at ways to increase tax revenue by annexation of the Cochise Stronghold into the District.

Further, the District plans to be working with Clear Springs Water Company on making sure Fire Hydrants within the Fire District are in working order. The Fire District may enter in to an agreement to seek Grant Funding to assist the water company in making improvements to the Fire Hydrants.

In the upcoming Fiscal Year, the Fire District will be researching possible Grant Opportunities to upgrade equipment and fire gear to ensure a high standard of safety for the residents of the Fire District.

Financial Highlights

District investment in capital assets decreased by 0, or 0%.

The District's net position decreased \$59,668 or 15.83% from the previous fiscal year.

Operating revenues increased \$116,508 or 16.39% over the previous fiscal year.

At the end of the current fiscal year, unrestricted net position of the District was \$73,634.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

DEC 30 2013
NOV 22 2 41 PM '13

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, use fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Net Position, June 30, 2013

	BALANCE <u>JUNE 30, 2013</u>
Net Position:	
Invested in Capital Assets net of related debt	\$ 243,727
Unrestricted Net Assets	<u>73,634</u>
Total Net Position:	<u>\$ 317,361</u>

Governmental Activities

Most of the revenues for the District were derived from assessed property taxes and Fire District Assistance Tax from the county. The District also received a significant amount of income from billing for Wildland Fire Assignments, as well as Fire Subscription Agreements.

Capital Asset and Debt Administration

The Fire District made its final payment on the 2005 Chevrolet Ambulance that was purchased in 2005.

DEC 30 2013
WILDLAND FIRE DISTRICT

Capital Assets, Net of Depreciation June 30, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
<u>Depreciable Assets</u>		
Vehicles	\$ 373,516	373,516
Buildings	183,703	183,703
Equipment, Fire	<u>320,359</u>	<u>320,359</u>
Total Historical Costs	\$ <u>877,578</u>	\$ <u>887,578</u>
Less Accumulated Depreciation		
Vehicles	\$ 260,595	\$ 294,787
Buildings	104,026	108,824
Equipment, Fire	<u>230,300</u>	<u>261,240</u>
Less: Total Accumulated Depreciation	\$ <u>594,921</u>	<u>664,581</u>
Depreciable Capital Assets, Net	<u>282,657</u>	<u>212,727</u>
<u>Non-Depreciable Assets</u>		
Land	\$ <u>31,000</u>	<u>31,000</u>
Capital Assets, Net	\$ <u>313,657</u>	\$ <u>243,727</u>

Long Term Debt

At the end of the current fiscal year, the District had debt outstanding of \$16,542. All of the debt is backed by the full faith and credit of the District.

RECEIVED
DEC 30 2013
FISCAL DEPARTMENT

Outstanding Debt

	BALANCE JUNE 30, 2012	BALANCE JUNE 30, 2013
2005 Ambulance	\$ 9,031	\$ 0
Total Lease Obligations	9,031	0
Compensated Absences	20,548	16,542
Totals	\$ 29,579	\$ 16,542

Factors Affecting Future Results

The District is subject to general economic conditions such as increases or declines in property tax value or other types of revenues that vary with economic conditions.

Despite declining property valuations, the Fire District was able to create a budget further responsive to the changing needs and expectations of the community.

With assessed property values continuing to decline, the District's successful annexation of Cochise Stronghold would be an additional source of tax revenue.

The Paid Time Off (PTO) policy is changing as of July 1, 2013. The maximum accrual of PTO hours has been reduced from 480 to 288 hours, which translates into lower payroll costs.

The affordable care act will impact the ambulance service in many ways, from fundamental initial treatments to appropriate and, at times, alternative care. Increased demand due to more people having insurance, efforts to make healthcare more affordable, reimbursements, etc. Most of this will increase demand and potentially increase revenue.

All of this takes education, training, and commitment to change, and it will take years to fall into place.

Contacting the District

This financial report is designed to provide an overview of the District's finances for anyone with an interest in the government's finances. Any questions regarding this report, or requests for additional information, may be directed to Sunsites-Pearce Fire District at PO Box 507, Pearce AZ 85625, or in person at 105 Tracy Road, Pearce Arizona.

DEC 30 2013

BASIC FINANCIAL STATEMENTS

RECEIVED
DEC 30 2013
HIS. C. L. L. L.

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013¹**

Exhibit A

**Governmental
Activities**

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 48,088
Receivables:	
Ambulance Service Fees, Net Allowance For Doubtful Accounts (Note 5)	66,931
Wildland (Note 5)	9,666
Property Taxes (Note 6)	133,606
Total Capital Assets, Net (Note 7)	<u>243,727</u>
Total Assets	<u>\$ 502,018</u>

LIABILITIES

Accounts Payable	2,202
Payroll Taxes and Wages Payable	27,418
Compensated Absences (Note 10)	
Portion due within one year	4,889
Portion due after one year	<u>16,542</u>
Deferred Inflows of Resources	
Unavailable Revenue-Property taxes	<u>133,606</u>
Total Liabilities	<u>184,657</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	243,727
Unrestricted Net Assets (Note 13)	<u>73,634</u>
Total Net Position	<u>\$ 317,361</u>

¹ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013²**

Exhibit B

**Governmental
Activities**

EXPENSES

Public Safety -- Fire/EMS Protection	
Personnel Services	\$ 609,862
Materials & Services	206,892
Depreciation	<u>69,930</u>
Total Program Expenses	<u>886,684</u>

PROGRAM REVENUES

Operating and Capital Grants	5,200
Charges for Services	<u>273,385</u>
Total Program Revenues	<u>278,585</u>
Net Program Expense	<u>608,100</u>

GENERAL REVENUES

Property Taxes	443,539
Fire District Assistance	92,229
Investment Earnings	60
Miscellaneous	<u>12,603</u>
Total General Revenues	<u>548,430</u>
Increase in Net Position	(59,670)

NET POSITION-BEGINNING OF THE YEAR 377,029

NET POSITION-END OF THE YEAR \$ 317,361

² The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2013³**

Exhibit C

General

ASSETS

Cash & Cash Equivalents (Note 3)	\$ 48,088
Prepaid Expenses	
Receivables:	
Ambulance Service Fees, Net Allowance	66,931
For Doubtful Accounts (Note 5)	133,606
Property Taxes (Note 6)	<u>9,666</u>
Wildland (Note 6)	
 Total Assets	 \$ <u>258,291</u>

LIABILITIES

Accounts Payable	2,202
Payroll Taxes and Wages Payable	27,418
Compensated Absences (Note 10)	4,889
Deferred Inflows of Resources	
Unavailable Revenue – Property Taxes (Note 6)	\$ <u>133,606</u>
 Total Liabilities	 \$ <u>168,115</u>

FUND BALANCES

Assigned (Note 13)	16,542
Unassigned	<u>73,633</u>
 Total Fund Balances	 <u>90,175</u>
 Total Liabilities and Fund Balances	 \$ <u>258,290</u>

³ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013⁴**

Exhibit D

General

REVENUE

Property Taxes	\$ 443,539
Fire District Assistance Tax	92,228
Fees for Service	273,585
Interest	60
Grants	5,200
Miscellaneous	<u>12,403</u>
Total Revenues	<u>827,014</u>

EXPENDITURES

Current:	
Public Safety	728,744
Administration	91,637
Debt Service	
Principal	9,031
Interest	388
Capital Outlay	<u>0</u>
Total Expenditures	<u>829,790</u>

Excess (Deficiency) of Revenues over Expenditures	<u>(2776)</u>
---------------------------------------------------	---------------

Net Change in Fund Balance	(2776)
----------------------------	--------

Fund Balance-Beginning of Year	<u>92,951</u>
---------------------------------------	----------------------

Fund Balance-End of Year	<u>\$ 90,175</u>
---------------------------------	-------------------------

⁴ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

SUNSITES-PEARCE FIRE DISTRICT
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013⁵

Exhibit E

Reconciliation of Governmental Fund Balance to Net Position
(Exhibit A) of governmental activities:

Fund Balances -- Total Governmental Funds (Exhibit C) \$ 90,175

Amounts Reported for Governmental Activities in the
Statement of Net Position are different because:

Capital Assets used in Governmental activities are not
Financial resources and, therefore are not
Reported in the other funds.

Governmental Capital Assets	908,578	
Less: Accumulated Depreciation	<u>(664,851)</u>	
		243,727

Long-term liabilities are not due and payable in the
Current period and therefore are not
Reported in the funds. (16,542)

Net Position of Governmental Activities (Exhibit A) \$ 317,360

⁵ The Notes to the Financial Statements are an integral part of this Statement.

RECEIVED

DEC 30 2013

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
JUNE 30, 2013⁶**

Exhibit F

**Reconciliation in the change in fund balance-total Governmental Funds
To the change in Net Position of Governmental Activities:**

Net Change in Fund Balances - Total Governmental Funds (Exhibit D)	\$	(2776)
-----------------------------------------------------------------------	----	--------

Amounts reported for governmental activities in the statement of
Activities (Exhibit B) are different because of the following:

Governmental funds report capital outlays as expenditures
in the Statement of Activities.
These costs are allocated over their useful lives as depreciation.

Depreciation Expense		(69,930)
----------------------	--	----------

Proceeds from the issuance of long-term debt
provides current financial resources to governmental
funds, while the repayment of the principal of long-term
debt consumes the current financial resources of
governmental funds. Neither transaction, however, has
any effect on net position. This amount is the net effect of
these differences in the treatment of long-term debt and
related items.

		<u>13,007</u>
--	--	---------------

Change in Net Position of Governmental Activities (Exhibit B)	\$	<u>(59,699)</u>
---------------------------------------------------------------	----	-----------------

⁶ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2013⁷**

Exhibit G

**Volunteer
Pension Fund**

ASSETS

Cash & Cash Equivalents	\$ 71,218
Total Assets	<u>71,218</u>

LIABILITIES

Accounts Payable	\$ 0
Total Liabilities	<u>0</u>

NET POSITION

Held in trust for pension and other purposes	\$ 71,218
-------------------------------------------------	-----------

⁷ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2013⁸**

Exhibit H

**Volunteer
Pension Fund**

ADDITIONS

Investment Earnings:

Interest & Dividends	2,223
----------------------	-------

Net Increase in the fair value of investments	60
--------------------------------------------------	----

Total Investment Earnings	2,383
---------------------------	-------

Total Additions	\$ 2,383
-----------------	----------

DEDUCTIONS

Net Position – Beginning	<u>\$ 68,835</u>
--------------------------	------------------

Net Position – Ending	<u>\$ 71,218</u>
-----------------------	------------------

⁸ The Notes to the Financial Statements are an integral part of this Statement.

DEC 30 2013
10:50 AM

**SUNSITES-PEARCE FIRE DISTRICT
PEARCE, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The District is a local governmental unit formed as a political subdivision of the local county which is a political subdivision of the State of Arizona. The District was formed under the provisions of Title 48 of Arizona Revised Statutes. The District operates under an appointed administrator due to the resignation of a majority of the Board, since March 1, 2013. The purpose of the District is to provide fire protection, emergency medical and related services to the residents and guests of the District and the surrounding area. The day to day operations are supervised by a Fire Chief and his staff.

The District has the power to issue bonds, levy taxes, bill for services, and raise revenues with the power of the County government. The District has the power to expend public funds for any legitimate purpose required to further its needs. The District operates as an independent governmental agency, directly responsible to the local taxpayers and voters.

New GASB Standards

GASB Statement 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously recognized as Assets and Liabilities" establish and clarify new components of the statement of position as, "Deferred Inflows of Resources" and "Deferred Outflows of Resources."

GASB Statement 63 also changes the term "net assets," which was previously made up of assets less liabilities, to "net position," which is now made up of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Accordingly, any reference to "net assets" has been changed to "net position."

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. Sunsites-Pearce Fire District does not have any *business-type activities* or *component units*.

DEC 30 2013

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to users of the services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The government – wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available as net current assets. All sources of revenue except interest become measurable when the District has rendered a service. Interest revenue is measurable when its rate becomes known. Revenues are considered available if they are received within 60 days of the end of any accounting period. Expenditures are generally recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. This fund's activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net positions. Fiduciary funds are not reflected in the government – wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government –wide financial statements.

Private – sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government –wide and proprietary fund financial standards to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of the following subsequent private – sector guidance for their business – type activities and enterprise funds, subject to the same limitation. The District has elected not to follow subsequent private – sector guidance.

Basic Financial Statements

The accounting policies for the District conform to the accounting principles generally accepted in The United States of America (GAAS) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Financial Statement Amounts:

Cash & Cash Equivalents

All savings, checking, and money market accounts with an original maturity of less than 60 days are considered to be cash equivalents.

Prepaid Items

Payments to vendors that benefit future accounting periods are classified as prepaid items until charged to expenditures in the period benefited.

Deferred Revenue

Deferred revenue (in the fund financial statements) represents property taxes earned during the year but not collected in time to be available to finance the current year's operation.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable Governmental or business-type activities columns in the government – wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,500 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Property, plant, and equipment are depreciated using the straight – line method over the following useful lives:

Buildings	27.5 to 40 years
Equipment	5 to 7 years
Fire Trucks	10 years
Automobiles	5 years
Office Equipment	5 years

DEC 30 2013

Compensated Absences

Accumulated unpaid vacation and leave time is normally accrued when incurred. The anticipated current portion of employee leave is accrued in the governmental fund, while the long term portion is recorded only in the long term group of accounts.

Fund Equity

Fund Balances on Government – Wide Financial Statements – Schedule A

Fund Equity, as defined in GASB Statement No. 34, “Basic Financial Statements for State and Local Governments” is defined as net position and is classified in the following categories:

- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Unrestricted Fund Balance – amounts in this fund balance area is the balance of equity which is not included in the Restricted Fund Balance and the Investments in Net Position balances.
- Investment in Capital Assets, Net of Related Debt – This component of net position consists of capital assets, net of accumulated depreciation and reduces by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Fund Balances on Governmental Fund Financial Statements – Schedule C

Beginning with fiscal year ended June 30, 2010, the District implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

The following classifications describe the relative strength of the spending constraints:

- Non-spendable Fund Balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed Fund Balance – Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

- Assigned Fund Balance – Amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board, or by an official, or body, to which the District Board delegates authority.
- Unassigned Fund Balance – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Beginning Fund Balances for the District's governmental funds were restated to reflect the above classifications. District Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned Fund Balance is established by District Board, through adoption or amendment of the budget, as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amount and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

During the last quarter of the fiscal year, the ensuing years operating budget, including proposed expenditures and the means of financing them, is compiled by the Fire Chief. A public hearing is held on the budget subsequent to the publication of the proposed budget. Once the proposed budget is prepared it must be published in a newspaper of general circulation in the County in which the District is located, at least twenty days prior to a budget hearing. Notice of the hearing must also be posted in at least three public locations in the District and posted to the District website at least twenty days prior to the hearing, provided the District maintains a website. Copies of the proposed budget must also be provided upon written request. Once the budget hearing is held, the District Board approves the budget. After approval by the District Board, the budget is then sent to the County Board of Supervisors, no later than August 1st of each year as required by ARS 48-807(e).

Budgets are adopted by the District on a basis consistent with ARS 48-807. This basis allows the District Board or Fire Chief to alter the budget within the total expenditure allocation as needed during the year. The District management generally cannot exceed the total expenditure budget.

Encumbrance accounting is not employed by the District. All appropriations lapse at year-end.

DEC 30 2013

NOTE 3 – CASH, DEPOSITS, INVESTMENTS, AND RISK MANAGEMENT

Cash, Deposits, and Investments

The District's cash and cash equivalents includes Cash on Hand, Deposits, and Investments.

Arizona Revised Statutes authorize special districts to invest public funds in the Arizona State Treasurer's local government investment pool, interest bearing savings accounts, certificates of deposit and in accounts of any savings and loan associations insured by an agency of the government of the United States, up to the amount of such insurance, or pledged collateral.

All investments are stated at fair value based on market prices. The district does not have its own formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for investments.

Cash on hand and deposits – At June 30, 2013, total cash on hand was \$155.

The carrying amount of the total cash in bank was \$29,939. All of the bank balance was FDIC insured.

Investments – At June 30, 2013, the carrying amount in the Trust Fund, invested in Edward Jones was \$71,218. The carrying balance in bank accounts invested in the County Treasurer's Pool was \$17,995.

Risk Management

The District is exposed to various risks of loss related to property loss, torts, errors, omissions, and employee injuries (worker's compensation). The District has purchased commercial insurance for property loss, torts, and Worker's compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 4 – INVENTORIES

The costs of governmental fund-type inventories are recorded as expenditures when purchased. All inventories of the District are considered immaterial.

NOTE 5 – RECEIVABLES

General and governmental fund receivables are recorded as received except for those funds collected and held by other governments on behalf of the Fire District. These amounts are recorded as soon as they are measurable and available in accordance with governmental accounting standards.

Ambulance receivables were \$86,862, with an allowance for bad debt of \$19,931 at June 30, 2013. This gave a net of \$66,931.

Wildland receivables were \$9666.

DEC 30 2013

NOTE 6 – DEFERRED REVENUES

When revenue is not available, but the related asset, (property taxes receivable, taxes levied but not collected), has been recorded, the District should report the amount as a deferred inflows of resources until the revenue becomes available. See Note 1, New GASB Standards.

NOTE 7 – CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2013.

	<u>BALANCE</u> <u>06-30-2012</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>06-30-2013</u>
<u>Depreciable Assets</u>				
Vehicles	\$ 373,516	0	0	373,516
Buildings	183,703	0	0	183,703
Equipment, Fire	<u>320,359</u>	<u>0</u>	<u>0</u>	<u>320,359</u>
Total Historical Costs	<u>877,578</u>	<u>0</u>	<u>0</u>	<u>877,578</u>
Less Accumulated Depreciation				
Vehicles	260,595	34,192	0	294,787
Buildings	104,026	4,798	0	108,824
Equipment, Fire	<u>230,300</u>	<u>30,940</u>	<u>0</u>	<u>261,240</u>
Less: Total Accumulated Depreciation	<u>594,921</u>	<u>69,930</u>	<u>0</u>	<u>664,851</u>
Depreciable Capital Assets, Net	<u>282,657</u>	<u>0</u>	<u>0</u>	<u>212,727</u>
<u>Non-Depreciable Assets</u>				
Land	<u>31,000</u>	<u>0</u>	<u>0</u>	<u>31,000</u>
Capital Assets, Net	<u>\$ 313,657</u>	<u>69,930</u>	<u>0</u>	<u>243,727</u>

DEC 30 2013

NOTE 8 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 9 – SHORT – TERM INDEBTEDNESS

The District utilizes a credit line with a limit of \$97,000. As of June 30, 2013, the balance outstanding was approximately \$0 and \$97,000 was available. The interest rate routinely pays the balance in full when funds are available.

NOTE 10 – ACCUMULATED COMPENSATED ABSENCES

Accumulated unpaid vacation and leave time is accrued when incurred. The current portion of such amounts has been accrued in the governmental fund (using the modified accrual basis of accounting).

The District has a combination of vacation time and sick leave which the District calls Paid Time Off (PTO). PTO will be paid to an employee upon separation from the District according to the policy & schedule adopted by the District.

NOTE 11 – LONG – TERM INDEBTEDNESS

In the government – wide financial statements, long-term debt and other long term obligations are reported as liabilities in the applicable governmental activities or business-type activities in the statement of net assets.

General Obligation Bonds

The District does not currently have any general obligations bonds.

Operating Leases

The District does not currently have any operating leases.

Capital Leases

The District entered into a lease/purchase agreement for a 2005 Chevrolet C 4500 Ambulance by First Municipal Leasing Corporation. The lease/purchase is in the amount of \$51,000, with an interest rate of 4.3% with annual payments of \$9,419.06 due each March 21st, with the first payment due in 2008 and continuing for 5 years. The District prepaid \$9,419 on March 21, 2008. This lease was paid in full March of 2013.

Changes in Long-Term Indebtedness:

	<u>Balance</u> <u>06-30-2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-2013</u>
2005 Ambulance	\$ 9031	\$ 0	\$ 9031	\$ 0
Total Lease Obligations	9031	0	9031	0
Compensated Absences	<u>20,548</u>	<u>0</u>	<u>4,006</u>	<u>16,542</u>
Totals	<u>\$ 29,579</u>	<u>\$ 0</u>	<u>\$ 13,007</u>	<u>\$ 16,542</u>

DEC 30 2013

NOTE 13 – FUND BALANCE

The District's Net Position balances consist of restricted, unrestricted, and net investment in capital assets amounts.

The District's Governmental Funds fund balances consist of restricted, committed, assigned, and unassigned amounts.

Restricted fund balance are amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance is amount constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., District Board). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.

Assigned fund balance is amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board or by any official or body to which the District Board delegates the authority.

Unassigned fund balance is amounts that are available for any purpose. Positive amounts are reported only in the general fund.

Net Position

Invested in Capital Assets, Net of Related Debt	\$ 243,727
Unrestricted Net Assets	<u>73,634</u>
Total Net Assets	<u>\$ 317,361</u>
Governmental Fund Balances:	
Assigned – Payroll	\$ 16,542
Assigned – Capital	<u>0</u>
Total Assigned Fund Balances	16,542
Unassigned Fund Balances	<u>73,633</u>
Total Fund Balance	<u>\$ 90,175</u>

DEC 30 2013

NOTE 14 – PROPERTY TAXES

The District is authorized to levy property taxes in an amount sufficient to operate the District. This levy cannot exceed three dollars and twenty-five cents per one hundred dollars of assessed valuation. It also cannot exceed the amount of the levy in the preceding tax year multiplied by 1.08.

The District levies real property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year, and becomes delinquent after the first business day of May.

The District also levies various personal property taxes during the year, which are due at the same time as real property taxes.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The taxpayers may, by vote of the electorate, authorize either a five year budget override or a permanent override, depending upon certain criteria being met. The taxpayers may also authorize the issuance of bonds for capital acquisitions in addition to the operating taxes referred to above.

The County collects a County-Wide Fire District Assistance Tax (FDAT) and distributes the funds to all Fire Districts in the County, according to a formula established by state law. The maximum awarded to a District cannot exceed \$400,000 per year.

NOTE 15 – DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. This plan, available to all District employees, permits employees to defer a portion of their current salary until future years. Assets held in IRC Section 457 plans are generally subject to claims of creditors.

It is the District's position that it has no liability for investment losses under the plan but has the duty of due care that would be required of an ordinary prudent investor. The District believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 16 – EMPLOYEE RETIREMENT SYSTEMS AND POST EMPLOYMENT PLANS

The District contributes to multiple plans as described below. Benefits for non-public safety personnel are established based on contributions to the plan. For public safety personnel, state statute regulates retirement, death, long-term disability, and survivor premium benefits.

RECEIVED

DEC 30 2013

RECEIVED

A. Arizona State Retirement System

Plan Description: The Arizona State Retirement System (ASRS) administers a cost-sharing multiple-employer defined benefit pension plan that covers general employees of the District. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of the ARS Title 28, Chapter 5, Article 2.

Funding Policy: For the year ended June 30, 2013, active ASRS members and the District were each required by statute to contribute at the actuarially determined rate of 10.74% (10.5% retirement and 0.24% long-term disability) of the members' annual covered payroll. The District's contributions to ASRS for the year ended June 30, 2013 were \$4,580, which was split equally between the District and Employees.

The plan issues a publicly available financial report that includes its financial statements and required supplementary information. Reports may be obtained by writing or calling: Arizona State Retirement System, 3300 N. Central Avenue, Phoenix, Arizona 85012, (602) 240-2000.

B. Public Safety Personnel Retirement System

Plan Description: The Public Safety Personnel Retirement System (PSPRS) is an agent multiple-employer defined benefit pension plan that covers public safety personnel who are regularly r subdivisions. The PSPRS, acting as a common investment and administrative agent, is governed by a five member board, known as the Fund Manager, and 162 local boards, according to the provisions of ARS Title 38, Chapter 5, Article 4.

Normal retirement is on completion of 20 years of service, or 15 years of service and attainment of age. Retirement benefits after 20 years are 50% of average monthly compensation plus an additional 2% for each year of service from 20 to 25 years. Upon attainment of 25 years of service the additional percentage is increased to 2 ½ % for each year beyond 20. Maximum pension is 80% of average compensation. All participants are fully vested upon 10 years of service with deferred retirement possible at reduced benefits. Disability, survivor's benefits, and medical care are also integrated into the plan. The District joined PSPRS in February 2012.

Reports may be obtained by writing, calling, or visiting the PSPRS website:

Public Safety Personnel Retirement System
3010 E. Camelback Road #200
Phoenix, Arizona 85016
(602) 255-5575
www.psprs.com

Funding Policy: For the year ended June 30, 2013, PSPRS members were required by statute to contribute 8.65% of their annual covered compensation, and the District was required to contribute at the actuarially determined rate of 12.89%.

DEC 30 2013

The District maintains a *Volunteer Fire Pension Fund* as allowed by APS 9-951. This plan is administered by the District and over seen by an appointed pension board according to the state statute. The plan is reviewed by the Arizona State Fire Marshall's office.

Post-Employment Benefits: The government provides certain health care and insurance benefits for recently separated employees as required by the Federal law under COBRA. Any cost of health care and insurance benefits would be short term and recognized as an expenditure as claims are paid. The District currently has no such claims.

NOTE 17 – EMPLOYEE RETIREMENT SYSTEMS AND POST EMPLOYEMENT PLANS,
CONTINUED

Annual Pension Cost: For the year ended June 30, 2013, the District's recorded pension cost of \$ 28,159 for PSPRS was equal to the District's required and actual contributions after adjustment for amounts received by PSPRS from the State Fire Marshall's Office. The District's actuarial assumptions for the pension of fire personnel for the year ended June 30, 2012, and the most recent available actuarial valuation, and related information follow.

Contribution Rates	
Plan members	9.55%
District (2012-2013)	9.16%
Actuarial Cost Method	Entry Age Normal
Investment rate of return	7.85%
Projected salary increases	4.5%-8.5%
Payroll growth	4.5%
Amortization method	Level percent-of-pay closed
Remaining amortization period	23 years for underfunded, and 20 years for overfunded
Asset valuation method	7-year Smoothed market 80%/120% market
Cost of Living Adjustments	None

DEC 30 2013

Funding progress (excluding health insurance subsidy): The information for the analysis of funding progress was obtained from the most recent actuarial valuations.

<u>Valuation date June 30</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funding Liability (Excess)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Liability As % of Covered Payroll</u>
2012	338,310	367,294	28,984	92.1%	231,374	12.5%

In accordance with GASB 45, assets within the PSPRS plan are not segregated to fund the post-retirement health insurance subsidy. Accordingly, these benefits may not be considered pre-funded. These liabilities are based on the same assumptions and actuarial cost methods as indicated for the plan. The District did not report a health insurance subsidy payment for the fiscal year ending June 30, 2013.

NOTE 18 – SUBSEQUENT EVENTS

Allegations of records being duplicated and removed from the District by former Committee Member

Certain records, including QuickBooks files, containing employee names, social security numbers, and financial information were allegedly downloaded to a thumb drive in February of 2013 and kept by a former Committee Member. The Committee Member is being asked to return the records. As of the date of this report, the alleged removed items have not been returned to the District.

DEC 30 2013

REQUIRED SUPPLIMENTARY INFORMATION

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL (GAAS BASIS)
GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2013

Exhibit I

	<u>Budgeted Amounts</u>			<u>Variation with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Budget</u>
Revenue:				
Property Taxes	\$ 475,115	\$ 475,115	\$ 443,539	(31,576)
Fire District Assistance	80,000	80,000	92,229	12,229
Fees for Service	301,850	301,850	273,585	(28,265)
Grant Revenue	135,880	135,880	5,200	(130,680)
Interest			60	60
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>12,403</u>	<u>11,403</u>
Total Revenues	<u>993,845</u>	<u>993,845</u>	<u>827,016</u>	<u>(166,829)</u>
Expenditures:				
Current:				
Public Safety	747,350	747,350	723,924	(23,426)
Administration	94,500	94,500	91,637	(2,863)
Grants	126,995	126,995	5,200	(121,795)
Capital Outlay	25,000	25,000	9,031	(15,969)
Total Expenditures	<u>993,845</u>	<u>993,845</u>	<u>829,792</u>	<u>(164,053)</u>
Excess (Deficiency) of Revenues over Expenditures			-2,776	-2,776
Net Change in Fund Balances			-2,776	-2,776
Fund Balances at Beginning of year			<u>92,951</u>	<u>92,951</u>
Fund Balances at End of Year			<u>\$ 90,175</u>	<u>\$ 90,175</u>

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED JUNE 30, 2013**

1. BUDGETARY BASIS OF PRESENTATION

The budget included in these financial statements represents the original budget and amendments approved by the Board of Directors. The budgetary basis is the modified accrual basis of accounting with encumbrances included as actual. Accordingly, for the purpose of comparing budgeted expenditures to actual amounts, prior and current year encumbrances have been integrated with the amounts shown on the *Statement of Revenues, Expenditures and Changes in Fund Balances*.

Various reclassifications have been made to the actual amounts to conform to classifications included in the budget approved by the Board of Directors.

The legal level of budgetary control attributed to the Board of Directors is considered at the objective or natural classification level, presented as subtotals in the schedule of budget to actual (e.g., total revenue, total salaries and benefits, total services and supplies, etc.).

2. PUBLIC SAFETY PENSION DISCLOSURE INFORMATION

All Public Safety Pension disclosure information has been furnished by the actuary for the District's Public Safety Pension Fund. This information has been excerpted directly from the actuarial report and is the responsibility of the actuary.

DEC 30 2013

OTHER SUPPLEMENTARY INFORMATION

DEC 30 2013

**SUNSITES-PEARCE FIRE DISTRICT
ANNUAL REPORT INFORMATION
FISCAL YEAR ENDED JUNE 30, 2013**

Arizona Revised Statutes (ARS) requires certain additional information be attached to the audit report to comply with ARS 48-251 & 48-253 as required to meet the requirements of the AZ "Annual Report" of Special Districts. This information is included as other supplementary information.

REGULAR FIRE BOARD MEETINGS:

<u>Date</u>	<u>Time</u>	<u>Location</u>
07-17-2012	5:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
08-21-2012	5:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
09-18-2012	5:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
10-16-2012	5:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
11-20-2012	5:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
12-13-2012	6:00pm	Sunsites Community Center
01-03-2013	6:00pm	Fire Station – 105 Tracy Rd, Pearce, AZ
03-19-2013	10:30am	Fire Station – 105 Tracy Rd, Pearce, AZ
04-23-2013	10:30am	Fire Station – 105 Tracy Rd, Pearce, AZ
05-21-2013	10:30am	Fire Station – 105 Tracy Rd, Pearce, AZ
06-18-2013	10:30am	Fire Station – 105 Tracy Rd, Pearce, AZ

SPECIAL MEETING WITH EMERGENCY ADGENDA

02-11-2013	6:00pm	Golf Course Club House 1105 E Irene St Sunsites, AZ
------------	--------	--------------------------------------------------------

COCHISE COUNTY BOARD OF SUPERVISORS SPECIAL MEETING

03-01-2013	9:30am	1415 Melody Lane, Building G Bisbee, AZ
------------	--------	--------------------------------------------

BOARD MEMBERS:

<u>Name</u>	<u>Business Phone Number</u>	<u>Occupation</u>
Joshua A Steinberg	520-826-3645	Fire Chief
Thomas Schelling	520-826-3645	Administrator

DEC 30 2013

LOCATION OF POSTING OF MEETING NOTICES (all meetings):

Sunsites-Pearce Fire Station	105 Tracy Rd	Pearce, AZ
Sunsites Post Office	Hwy 191	Sunsites AZ
Produce Wagon	1036 Eastland Rd	Cochise, AZ
Richland High Desert Country Store	2093 N Arabian Ln	Cochise, AZ

Sunsites-Pearce Fire District website: www.sunsitesfire.org
www.sunsitesfiredept.com

DEC 30 2013

SUNSITES-PEARCE FIRE DISTRICT
GOVERNMENT AUDIT STANDARDS SECTION
JUNE 30, 2013

EX-117-17
DEC 30 2013
RECEIVED & FILED

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board
Sunsites-Pearce Fire District
Pearce, Arizona

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sunsites-Pearce Fire District, as of and for the year ended June 30, 2013, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 14, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and prevented in a timely basis.

DEC 30 2013

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to material weaknesses, as described above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed testes of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Ambulance Billing Inquiry from Auditor General's Office

I saw no exceptions in the fiscal year ending, June 30, 2013, to the medical billing procedures.

This is in response to an inquiry from the office of the Auditor General. A letter to that effect was sent to the management of the District and to L. Perry of the Auditor General's office, dated November 14, 2013.

This report is intended solely for the information and use of management, the Governing Board of the District, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



MG Patience, CPA

Bisbee, AZ
November 14, 2013

DEC 30 2013